

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03840 01 OF 02 102237Z
ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 AF-10 ARA-10 EA-10 EUR-12 NEA-10
OIC-02 /159 W

-----061587 102316Z /73

P 102021Z MAR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 7102

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 03840

USMTN

ACTION STR

STR PASS CODEL

EO 11652: N/A
TAGS: MTN, ETRD, PE
SUBJECT: MTN: CONSULTATIONS WITH PERUVIAN DELEGATION ON US
- OFFERS AND WORK PROGRAM

REF: (A) GENEVA 02972 (B) STATE 024987, (C) STATE 031614
(D) LIMA 1668 (E) LIMA 1978 (F) LIMA 1881

1. SUMMARY: US MTN DEL HAS MET BILATERALLY WITH PERUVIAN
GENEVA DEL TO EXPLAIN IMPORTANCE OF US MTN OFFERS TO PERU;
TO RECEIVE ADDITIONAL PERUVIAN REQUESTS; AND TO EMPHASIZE
NEED FOR IDENTIFICATION OF POSSIBLE PERUVIAN CONTRIBUTIONS
BY APRIL. PERUVIAN DEL ACKNOWLEDGED INTEREST IN US
OFFERS; PRESENTED ADDITIONAL REQUESTS; AND EXPECTED TO
HAVE DETAILED COMMENTARIES ON US SUGGESTED CONTRIBUTIONS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03840 01 OF 02 102237Z

IN NEAR FUTURE. END SUMMARY.

2. US MTN DEL (KNEPPER, CASSIDY) MET WITH PERUVIAN GENEVA
DEL (BERNIZON, SENORITA ELSA ARCINIEGA) FRIDAY, MARCH 3
TO EXPLAIN US OFFERS ON AGRICULTURE AND INDUSTRIAL TARIFFS
AND NON-TARIFF MEASURES (NTM'S), AS A FOLLOW UP TO
PLURILATERAL MEETINGS WITH ANDEAN DELS REPORTED REFTEL

(A). US MTN DEL PROVIDED A BRIEF OVERVIEW OF HOW THE US TARIFF OFFER COULD AFFECT DUTIABLE PERUVIAN EXPORTS TO THE US ON ITEMS COVERED BY THE APPLICATION OF THE "WORKING HYPOTHESIS" (TARIFF CUTTING FORMULA). THE US OFFER WOULD MAKE GREATER THAN FORMULA CUTS ON \$74 MILLION OF PERU'S 1976 EXPORTS TO THE US; FORMULA CUTS ON OVER \$12 MILLION; AND LESS THAN FORMULA CUTS ON ONLY ABOUT \$1 MILLION. THESE TARIFF REDUCTIONS COVERED OVER 170 PRODUCTS THAT PERU EXPORTED TO THE US IN 1976. AMONG US NON-AGRICULTURAL OFFERS, PERU IS THE LEADING SUPPLIER OF FIVE PRODUCTS: TSUS 301.50, WHITE COTTON YARN; TSUS 367.10, OTHER WOOL FURNISHINGS; TSUS 602.30, COPPER BEARING ORES; TSUS 624.04, LEAD WASTE AND SCRAPS; AND TSUS 628.45, INDIUM. PERU ALSO HAD LARGE TRADE INTERESTS IN THE FOLLOWING ITEMS: TSUS 472.10, NATURAL BARIUM; TSUS 601.54, TUNGSTEN ORE; TSUS 602.10, ALL LEAD BEARING ORES; TSUS 612.06, OTHER UNWROUGHT COPPER; TSUS 624.03, UNWROUGHT LEAD. ON AGRICULTURAL ITEMS, WHICH WERE NEGOTIATED ON A REQUEST/OFFER BASIS, US OFFER COVERED \$5.7 MILLION OF PERUVIAN EXPORTS, INCLUDING TSUS 300.20, RAW COTTON, STAPLE 1-11/16 INCHES OR MORE, WHICH PERU IS LEADING US SUPPLIER. IN ADDITION, THERE WAS ABOUT \$6.8 MILLION IN PERUVIAN AGRICULTURAL EXPORTS TO THE US ON WHICH NO OFFER HAD BEEN MADE DUE TO LACK OF A REQUEST FROM THE PRINCIPAL SUPPLIER, INCLUDING TSUS 140.25 COWPEAS, OF WHICH PERU IS LEADING US SUPPLIER.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 03840 01 OF 02 102237Z

3. FYI AMEMBASSY LIMA: GLOBAL TRADE FIGURES CITED ABOVE ARE BASED ON US OFFER WHICH IS CLASSIFIED AS "GATT SECRET" AND DUE TO SENSITIVITY OF THE OFFER SHOULD NOT BE CITED IN CONVERSATIONS WITH PRESS AND PRIVATE SECTOR CONTACTS. END FYI.

4. US MTN DEL NOTED THAT IN ORDER TO IMPLEMENT TARIFF CONCESSIONS IN ITS' OFFERS, PRINCIPAL DC BENEFICIARIES WOULD NEED TO MAKE EQUIVALENT RECIPROCAL CONCESSIONS, WHILE DEVELOPING COUNTRY BENEFICIARIES WOULD BE EXPECTED TO MAKE SOME "CONTRIBUTIONS" TO TRADE LIBERALIZATION, CONSISTENT WITH THEIR DEVELOPMENT, FINANCIAL AND TRADE NEEDS. US MTN DEL NOTED THAT US HAD INDICATED RANGE OF CONTRIBUTIONS IT WOULD FIND OF VALUE FROM PERU IN APRIL 1976 IN CONJUNCTION WITH MARCH 1, 1976 OFFER IN THE MTN TROPICAL PRODUCTS NEGOTIATIONS. WHILE NO DETAILED COMMENTARY HAD BEEN RECEIVED FROM PERU ON THESE SUGGESTED CONTRIBUTIONS, THE US CONSIDERED THAT THEY STILL REMAIN ON THE NEGOTIATING TABLE, AND HAD NOT BEEN REPEATED IN LATER NOTIFICATIONS. IN ADDITION, US HAD INDICATED ITS' INTERESTS ON AGRICULTURAL PRODUCTS AND NTM'S IN PERU ON NOVEMBER 1, 1977, AND

HAD SUBMITTED ON DECEMBER 16 A PRELIMINARY INDICATIVE LIST OF NON-AGRICULTURAL ITEMS ON WHICH IMPROVED MARKET ACCESS TO THE PERU MARKET WOULD BE OF INTEREST TO THE US. THIS LIST OF NON-AGRICULTURAL PRODUCTS IS BEING FURTHER REFINED IN WASHINGTON AND WILL BE AVAILABLE IN THE NEAR FUTURE. FYI. RE REFTEL F, US MTN DEL EXPECTS TO BE ABLE TO PRESENT REFINED LIST TO PERU DEL ABOUT MARCH 17. END FYI. WHILE US WAS OPEN ON THE NEGOTIATIONS ON SPECIFIC PERUVIAN AND/OR ANDEAN CONTRIBUTIONS, US INDICATIONS OF ITS SPECIFIC PRIORITY EXPORT INTERESTS DID PROVIDE A RANGE FOR POSSIBLE RESPONSES BY PERU.

5. PERUVIAN DISCUSSION WAS LED BY BERNIZON, WHO INTRODUCED ECONOMIC COUNSELOR, ELSA ARCINIEGA, WHO HAD JUST ARRIVED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 03840 01 OF 02 102237Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 03840 02 OF 02 102237Z
ACTION STR-07

INFO OCT-01 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02
OMB-01 DOE-11 AF-10 ARA-10 EA-10 EUR-12 NEA-10
OIC-02 /159 W

-----061573 102317Z /73

P 102021Z MAR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 7103

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 03840

FROM BRUSSELS, AND WILL BE TAKING OVER AS ANDEAN GROUP MTN SPOKESMAN WITHIN THE NEXT SEVERAL WEEKS. PERU DEL EXPRESSED APPRECIATION FOR DETAILED PRESENTATION OF THEIR INTERESTS IN US OFFER. THEY NOTED THAT THEY HAD RECEIVED ADDITIONAL REQUESTS FROM LIMA AS OUTLINED IN REFERENCES C AND D. (ADDITIONAL REQUESTS ARE BEING SUBMITTED BY SEP TEL.) PERU

DEL EXPECTING TO RECEIVE IN NEAR FUTURE DETAILED COMMENTARIES FROM LIMA ON POSSIBILITIES OF MAKING CONTRIBUTIONS ON ITEMS OF INTEREST TO THE US.

6. IN RESPONSE TO PERUVIAN DEL QUESTIONS, US DEL NOTED INFORMATION FROM STATE 049014 THAT US INTERNATIONAL TRADE COMMISSION WAS UNDERTAKING A STUDY TO SEE IF INCREASED IMPORTS OF COPPER WERE CAUSING SERIOUS INJURY TO THE US DOMESTIC INDUSTRY. IT WAS EXPECTED THAT THIS STUDY WOULD NOT BE COMPLETE UNTIL THE SUMMER AND IMPACT -- IF ANY -- ON US OFFER ON TSUS 612.06 WOULD NOT BE KNOWN UNTIL THAT TIME.

7. PERUVIAN DEL NOTED THAT THEY HAD HAD STRONG INTEREST IN TSUS 300.15 COTTON, STAPLE LENGTH 1 1/8 OR MORE BUT UNDER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 03840 02 OF 02 102237Z

1-11/16 INCHES, OF WHICH THEY WERE THE SECOND SUPPLIERS BEHIND THE SUDAN. THEY ASKED IF US WOULD CONSIDER REQUEST RECEIVED FROM SECOND SUPPLIER ON THIS AGRICULTURAL PRODUCT. US MTN DEL NOTED THAT US WOULD BE WILLING TO CONSIDER REQUESTS FROM OTHER THAN PRINCIPAL SUPPLIER ON AGRICULTURAL ITEMS IF THAT SUPPLIER WISHED TO SPELL OUT PARTICULAR BENEFITS IT HAD EXPECTED TO RECEIVE FROM SUCH A CONCESSION, AND THE CONTRIBUTIONS TO NEGOTIATIONS IT WAS WILLING TO MAKE.

8. COMMENT: CONSULTATIONS HAVE BEEN CARRIED FORWARD IN PRAGMATIC MANNER AT WORKING LEVEL. PERUVIAN DEL IS AMONG THE FIRST TO HAVE INSTRUCTIONS FROM CAPITAL CONCERNING ADDITIONAL REQUESTS FOLLOWING ANALYSIS OF US OFFER AND, IF EXPECTED COMMENTARIES ON US SUGGESTED CONTRIBUTIONS MATERIALIZES, ALSO ONE OF THE FIRST TO ENTER INTO CONCRETE DISCUSSION. US MTN DEL GREATLY APPRECIATES EXCELLENT WORK DONE BY AMERICAN EMBASSY LIMA IN ENCOURAGING POSITIVE PERUVIAN RESPONSE IN CLOSING PHASES OF THE NEGOTIATIONS.

9. DRAFTED BY WEKNEPPER. CULBERT

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC DISCUSSIONS, ECONOMIC PROGRAMS, PLANNING MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA03840
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780108-1022
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780384/aaaacsrf.tel
Line Count: 212
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 36afacc9-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 2972, 78 STATE 24987, 78 STATE 31614, 78 LIMA 1668, 78 LIMA 1978, 78 LIMA 1881
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3376541
Secure: OPEN
Status: NATIVE
Subject: MTN: CONSULTATIONS WITH PERUVIAN DELEGATION ON US - OFFERS AND WORK PROGRAM
TAGS: ETRD, PE, US, MTN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/36afacc9-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014